

Mineral Industry Surveys

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TIN IN FEBRUARY 2003

Domestic consumption of primary tin in February was estimated by the U.S. Geological Survey to be about the same as that in January and about 4% higher than that in February 2002.

The Platts Metals Week average composite price for tin in February was about 3% higher than that in January and about 18% higher than that in February 2002.

In a move seen by many as a major step in the consolidation of the North American steel industry, International Steel Group Inc. (ISG), Cleveland, OH, and Bethlehem Steel Corp., Bethlehem, PA, signed an asset-purchase agreement under which ISG will acquire substantially all of Bethlehem's steel production assets for about \$1.5 billion. Bethlehem ranks as a major tin consumer, with its tin mill located at its Sparrows Point, MD, steel plant (American Metal Market, 2003).

Baseresult Holding Ltd., the owner of the South Crofty tin mine in Cornwall, England, has been notified by local government officials that it could be acquired by them if the mine fails to reopen within 2 years. The mine was closed almost 5 years ago. The new owner, Baseresult, bought the mine in June 2001, but it still remains inactive. Baseresult has been conducting a review of the mine's environmental impact and its technical operations (Metal Bulletin, 2003).

Canada's sole tinplate producer, Dofasco Ltd., has announced a \$700 million improvement program for its finishing division. The tin mill, located at Dofasco's Hamilton, Ontario, steel plant has an annual combined tinplate/tin-free steel capacity of 450,000 metric tons (t). The improvement program, designed to increase the throughput of value-added products at lower operating costs, will focus on coupled and continuous manufacturing, automated processes, and information technology that will seamlessly link manufacturing and order management. All finishing operations (including tinplating, annealing, tempering, cold rolling, and galvanizing) will be upgraded through construction of new facilities (The Canmaker, 2003b).

The Malaysian canmaking industry has weathered various setbacks over the past several years since the Asian financial crisis hit Southeast Asia in 1997. Canmakers have encountered tighter bank credit limits, which have the effect of halting investment in canmaking operations. Currently, 28 companies

are members of the Malaysian Tin Can Manufacturers Association, which has survived the past 5 years intact. Owing to a 15% duty on imports, the canmakers have purchased tinplate locally from Malaysia's only domestic tinplate supplier, PERSTIMA (Perusahaan Sadur Timah Malaysia Berhad), which has two tinplate lines and a total capacity of 240,000 t annually. In contrast, tin cans and can components imported from the Asian region carry an import duty of only 5%. This has resulted in some users buying tin cans from Indonesia, Thailand, and Singapore, where the price of tinplate is lower. Additionally, Malaysian canmakers have suffered other setbacks:

- Most cooking oil previously packed in tin cans is now sold in PET bottles.
- In the dry food sector, major producers have converted to laminated aluminum pouches, which are cheaper than cans.
- Motor oil and lubricant producers have switched to plastic containers.
- Metal pails for paint have been replaced by cheaper plastic pails.

All of these developments are partly due to the high price of tinplate in Malaysia. Some canmakers have even tried to venture into other packaging sectors but they have been hampered by the lack of financial backing. Canmaking sales in Malaysia have declined over the past 5 years. Canmaking appears to be a sunset industry in the country because it lacks sufficient competitiveness against other packaging products and materials. As a result, PERSTIMA has decided to move one of its tinplate lines to Vietnam and is building a tin mill in Ho Chi Minh City that is scheduled to open in October 2003 (The Canmaker, 2003b).

Update

On March 28, 2003, the Platts Metals Week composite price for tin was \$ 3.19 per pound.

References Cited

American Metal Market, 2003, ISG new US integrated heavyweight: American Metal Market, v. 111, no. 10-5, March 14, p. 1, 2.

Metal Bulletin, 2003, South Crofty owners reject takeover threat: Metal Bulletin, no. 8757, March 17, p. 7.
The Canmaker, 2003a, Gloomy prospects for Malaysian canmakers: The Canmaker, v. 16, March, p. 19.

The Canmaker, 2003b, Revamp for Dofasco tinplate operations: The Canmaker, v. 16, March, p. 14.

TABLE 1
SALIENT TIN STATISTICS 1/

(Metric tons, unless otherwise noted)

	2003			January- February
	2002 p/	January	February	
Production, secondary e/ 2/	10,800	900	900	1,800
Consumption:				
Primary	35,800	3,150	3,140	6,290
Secondary	10,800	664 r/	668	1,330
Imports for consumption, metal	42,200	3,070	NA	NA
Exports, metal	2,940	240	NA	NA
Stocks at end of period	7,280	6,980 r/	6,700	XX
Prices (average cents per pound): 3/				
Metals Week composite 4/	291.97	313.84	322.82	XX
Metals Week New York dealer	194.75	211.89	218.06	XX
London, standard grade, cash	184.00	201.00	207.00	XX
Kuala Lumpur	184.35	201.52	209.62	XX

e/ Estimated. p/ Preliminary. r/ Revised. NA Not available. XX Not applicable.

1/ Data are rounded to no more than three significant digits, except prices.

2/ Includes tin recovered from alloys and tinplate. The detinning of tinplate (coated steel) yields only a small part of the total.

3/ Source: Platts Metals Week.

4/ The Metals Week composite price is a calculated formula, not a market price, that includes fixed and finance charges, and a risk factor. It is normally substantially higher than other tin prices.

TABLE 2
METALS WEEK COMPOSITE PRICE 1/

(Cents per pound)

Period	High	Low	Average
2002:			
February	280.03	267.12	273.15
March	283.34	276.69	278.81
April	291.33	283.90	288.55
May	299.15	290.78	296.72
June	311.49	299.48	NA
July	316.83	290.53	308.64
August	286.95	272.37	279.74
September	295.72	277.95	286.19
October	308.99	294.63	302.39
November	306.01	297.88	301.54
December	306.94	298.78	302.37
Year	316.83	267.12	291.97
2003:			
January	320.43	303.14	313.84
February	333.87	310.69	322.82

1/ The Metals Week composite price is a calculated formula, not a market price that includes fixed and finance charges, and a risk factor. It is normally substantially higher than other tin prices.

Source: Platts Metals Week.

TABLE 3
TINPLATE PRODUCTION AND SHIPMENTS IN THE UNITED STATES 1/

(Metric tons, unless otherwise noted)

Period	Tinplate waste (waste, strips, cobble, etc.) (gross weight)	Tinplate (all forms)			Shipments 2/
		Gross weight	Tin content	Tin per metric ton of plate (kilograms)	
2002 p/	61,100	2,400,000	7,440	3.1	2,100,000
2002:					
December	6,560	215,000	NA	3.0	158,000
2003:					
January	2,790	216,000	642	3.0	180,000
February	2,870	211,000	626	3.0	NA

p/ Preliminary. NA Not available.

1/ Data are rounded to no more than three significant digits.

2/ Source: American Iron and Steel Institute monthly publication.

TABLE 4
U.S. TIN IMPORTS FOR CONSUMPTION AND EXPORTS 1/

(Metric tons)

Country or product	2002		2003
	Year p/	December	January
Imports:			
Metal (unwrought tin):			
Bolivia	6,150	586	408
Brazil	4,840	425	110
Chile	--	(2/)	--
China	7,600	248	NA
Indonesia	3,340	120	300
Malaysia	122	20	40
Peru	19,900	1,650	1,610
Russia	21	--	--
United Kingdom	2	--	--
Other	264 r/	40	9
Total	42,200	3,090	3,070
Other (gross weight):			
Alloys	3,530	381	258
Bars and rods	224	43	27
Foil, tubes, pipes	1	--	(2/)
Plates, sheets, strip	128	--	5
Waste and scrap	561	35	399
Miscellaneous	7,810	266	186
Total	12,300	725	875
Exports (metal)	2,940	323	240

p/ Preliminary. r/ Revised. -- Zero.

1/ Data are rounded to no more than three significant digits; may not add to totals shown.

2/ Less than 1/2 unit.

Source: U.S. Census Bureau.

TABLE 5
CONSUMPTION OF TIN IN THE UNITED STATES, BY FINISHED PRODUCT 1/

(Metric tons of contained tin)

Product	2002 p/	2003						
		January			February			January- February
		Primary	Secondary	Total	Primary	Secondary	Total	
Alloys (miscellaneous) 2/	1,660	158 r/	W	158 r/	156	W	156	314
Babbitt	501	18 r/	W	18 r/	18	W	18	36
Bar tin and anodes	192	16	W	16	18	W	18	34
Bronze and brass	2,390	92	73	165	86	77	163	329
Chemicals	7,550	697	NA	697	697	W	697	1,390
Collapsible tubes and foil	W	W	W	W	W	W	W	W
Solder	14,500	836	263	1,100	839	263	1,100	2,200
Tinning	411	32	--	32	34	--	34	66
Tinplate 3/	7,440	642	--	642	626	--	626	1,270
Tin powder	W	W	--	W	W	--	W	W
White metal 4/	W	W	--	W	W	--	W	W
Other	1,110	60	28 r/	88 r/	63	28	91	179
Total reported	35,800	2,550	364 r/	2,920	2,540	368	2,910	5,820
Estimated undistributed consumption 5/	10,800	600	300	900	600	300	900	1,800
Grand total	46,600	3,150	664 r/	3,820	3,140	668	3,810	7,620

p/ Preliminary. r/ Revised. W Withheld to avoid disclosing company proprietary data; included with "Other." -- Zero.

1/ Data are rounded to no more than three significant digits; may not add to totals shown.

2/ Includes terne metal.

3/ Includes secondary pig tin and tin components of tinning chemical solutions.

4/ Includes pewter, britannia metal, and jewelers' metal.

5/ Estimated consumption of plants reporting on an annual basis.